for Economic Cooperation and Development (OECD). The Committee's views differ from those of the OECD in regard to a number of these categories. The Committee has recommended that a view should be taken in regard to each of the 28 categories to ensure uniformity of approach by different Assessing Officers. It has also recommended regular monitoring of new emerging categories of transactions as a continuous process.

4. With regard to enforcement the Committee is of the view that the extent of e-commerce, particularly online e-commerce is nominal at present and is not likely to be significant in near future. However, the enforcement challenges will arise once the problems in delivery and payment mechanism are sorted out. A number or recommendations have been made to prepare the Income-tax administration to meet these challenges.

5. Finally, the Committee has pointed out areas in which taxpayer services can be improved through the use of Internet.

The Report is now available on the web site of the Ministry of Finance: **http:/ /www.finmin.nic.in** for comments/opinion from the public.

Reduction of PPF's rate of interest

199. MISS MABEL REBELLO: Will the Minister of FINANCE be pleased to state:

(a) what are the reasons for the decision of Government to reduce rate of interest on Public Provident Fund and other small savings by one per cent;

(b) whether any assessment has been made to study the extent to which this will affect the household savings; and

(c) if so, what are the results of such assessment?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) The rates of interest on small savings instruments, Public provident Fund, General Provident Fund etc. were reduced as the real interest rates on these schemes were considered to be high preventing the downward movement of other rates of interest in the economy.

(b) and (c) The effect of interest rate on savings in developing economies like India is not clear due to rigidities/distortions in the market arising from factors like administered interest rates and tax incentives. Small savings schemes and provident funds offer significant tax incentives and the relative return

depends not only on interest rates but also tax incentives.

As per tentative estimates of the Reserve Bank, financial saving of households constituted 10.5 per cent of GDP in 2000-2001 compared with 10.6 per cent in 1999-2000.

Cases of irregularities against Bank Officials

200. SHRI K.M. SAIFULLAH:
SHRI RAMA MUNI REDDY SIRIGIREDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some cases have been registered against a few higher officials of the nationalised Banks in Mumbai by the CBI during the current year for criminal conspiracy and corruption in pledging "Kisan Vikas Patra" and other Government securities;

(b) if so, the number of officials involved in the cases alongwith the details of their names / designations, Bank-wise; and

(c) the action taken against them in the matter and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) The information is being collected and will be laid on the Table of the House.

Tax collection target

201. SHRI ABANI ROY: Will the Minister of FINANCE be pleased to state:

(a) whether the tax collection target during the first six months of the current fiscal year has fallen considerably;

(b) if so, the reasons therefor;

(c) whether the exisiting policy to collect tax is ineffective and needs radical changes; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Tax collection during the first six months of the current financial year has provisionally amounted to Rs. 77422